GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:36
ANSWERED ON:01.03.2002
HAWALA FUNDINGS
PAWAN KUMAR BANSAL

Will the Minister of FINANCE be pleased to state:

(a) whether the funding sources of terrorist organisations through hawala channels have been on the rise of late;

(b) whether hawala transactions are likely to escape criminal action after the replacement of FERA with FEMA;

(c) if so, the steps taken by the Government to treat the same as a criminal offence;

(d) whether Federal Bureau of Investigation of USA and the serious fraud office of the United Kingdom havewritten to the Government of India inquiring about hawala and its ramifications;

(e) if so, the details thereof; and

(f) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Investigations into some recent cases of hawala transactions have indicated terrorist linkages.

(b) & (c) : FERA, 1973 has been repealed. FEMA,1999 has come into force from June 2000 and provides for civil liability for violation of foreign exchange regulations. Government is taking, from time to time, various legal and administrative steps to deal with the situation.

(d) to (f) : No such reference has been received by the Enforcement Directorate.